

Extraordinary general meeting 2015

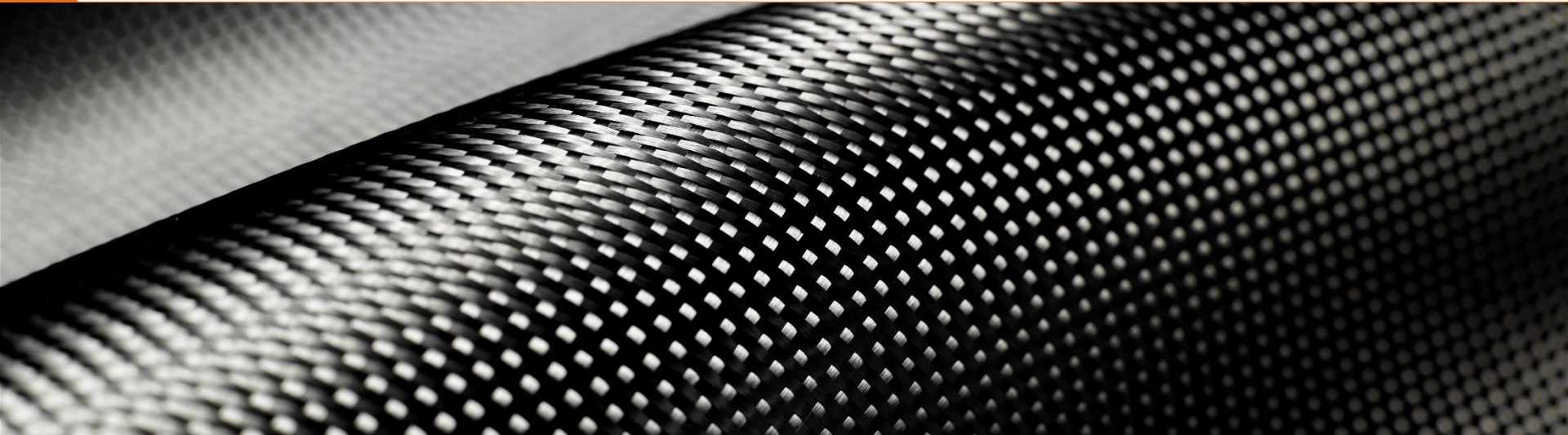
Koninklijke Ten Cate NV



materials that make a difference

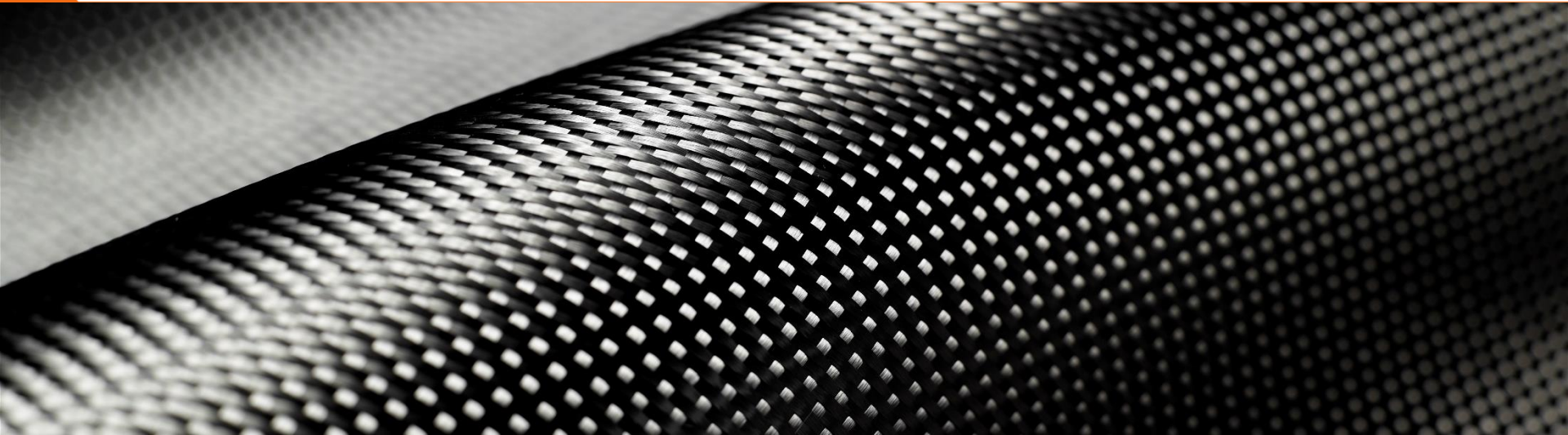
1. Opening

Extraordinary general meeting 2015



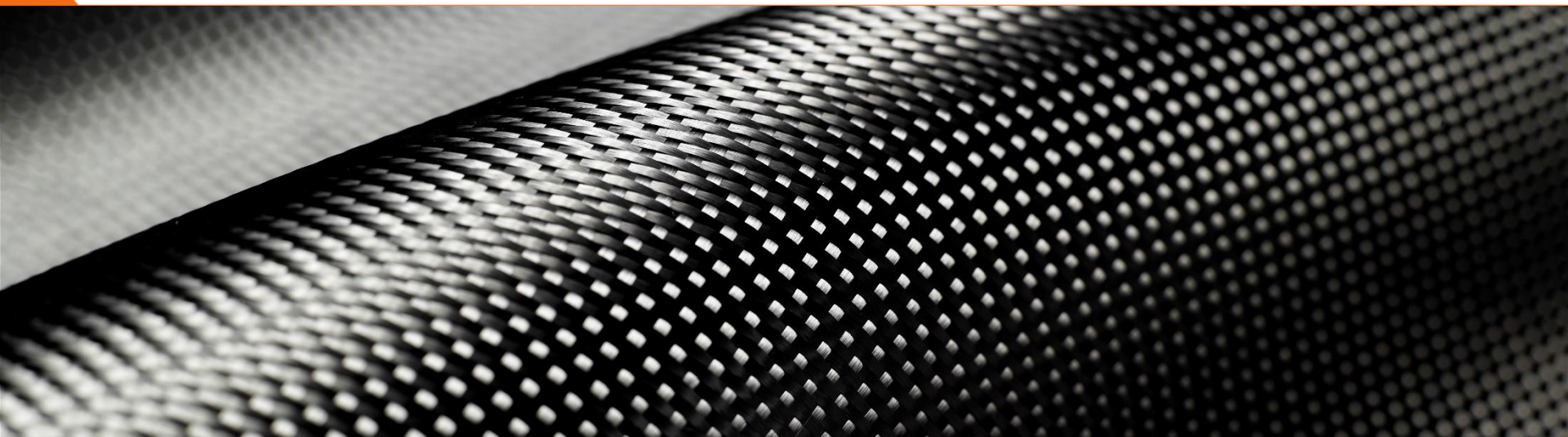
2. Announcements

Extraordinary general meeting 2015



3. Explanation of the recommended public offer

Extraordinary general meeting 2015



Recommended public offer for TenCate at € 24,60

Explanation of the recommended public offer

- Recommended offer for all TenCate shares
- Offer of €24,60 (cum dividend) per share in cash
- Irrevocable commitments of combined c. 16%
- Offer in the best interest of all stakeholders
- Positive advice rendered by works council (COR)
- Clearance from competition authorities US, Turkey and EU
- CFIUS clearance expected by 14 December 2015
- Minimum acceptance 95%
- Support and unanimous recommendation by executive board and supervisory board

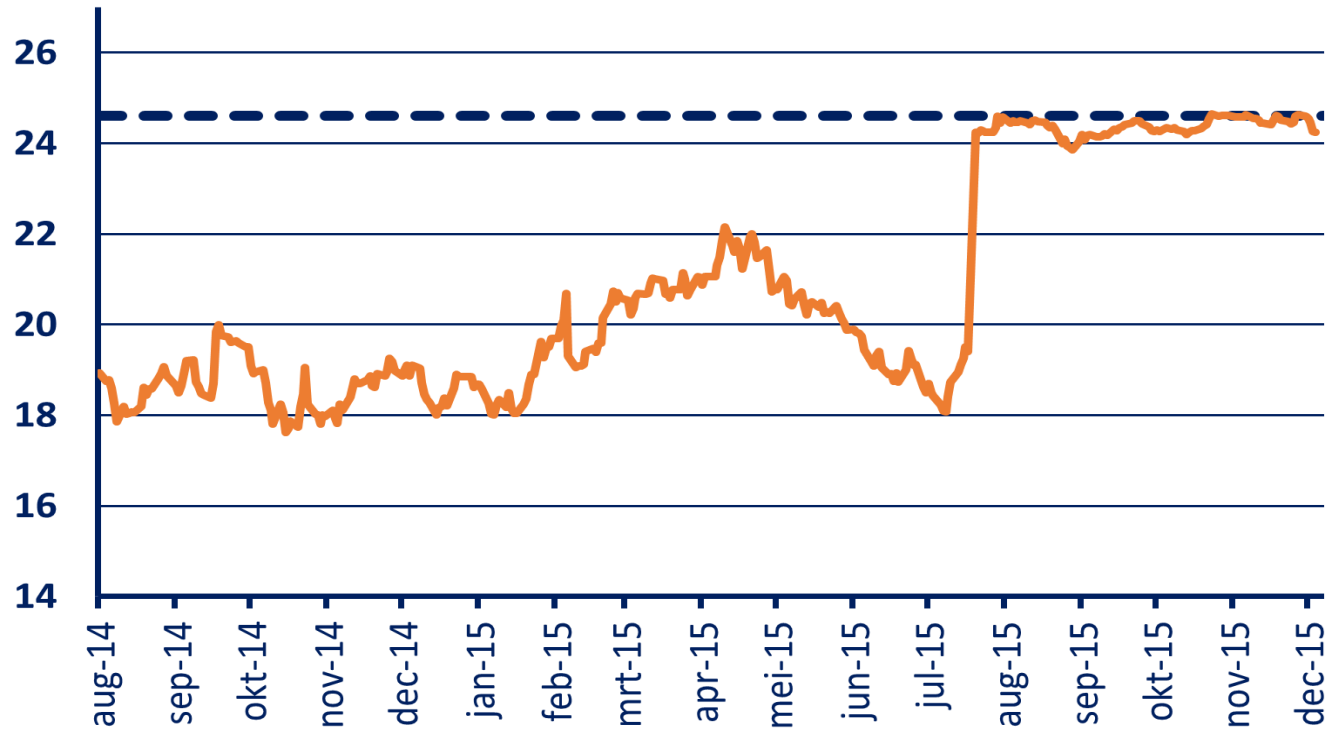
Serious offer for all stakeholders

Explanation of the recommended public offer

- Attractive for TenCate and all stakeholders
 - Shareholders
 - Employees
 - Customers
 - Governments
 - Suppliers
 - R&D partners
- Support for existing strategy
 - Buy & Build strategy for the existing five Market Groups
 - Focused on value chain management
- Long-term investment focus
 - Targeted consortium as controlling shareholder
- Dutch investors
 - Financial support
 - Expertise

Shareprice development August 2014 – December 2015

Explanation of the recommended public offer



Attractive offer for shareholders

Explanation of the recommended public offer

- Fair price and premium
- € 24,60 (cum-dividend) per share in cash
 - Dividend policy will not be changed without AGM approval
- Premium in line with public offers by financial investors for AEX-listed companies during the past 10 years
 - 27% premium over closing price on day prior to announcement (17 July 2015)
 - 27% premium over average closing price of preceding twelve months
- EV/EBITDA 2015 (consensus) 9.3x
- Fairness opinions by Rabobank and NIBC Bank
- Financing committed
- Minimum acceptance level 95%
 - Supervisory board will not allow the consortium to waive the minimum acceptance condition if acceptance is below 66 2/3%

Non-financial covenants in the interest of TenCate and stakeholders

Explanation of the recommended public offer

- Consortium supports existing “Buy & Build” strategy
- TenCate to remain a separate legal entity and the holding company of the subsidiaries and the operations
- Head office remains in Almelo
- TenCate brand remains at the core of the branding and marketing strategy
- No substantial divestments
- Employees
 - Arrangements with works councils and trade unions will be respected
 - Rights and benefits of employees will be respected
 - No reorganisations or restructuring plans as a direct consequence of the offer
- TenCate will remain prudently financed

Governance non-financial covenants

Explanation of the recommended public offer

- Non-financial covenants valid for three years
- Deviation requires approval of majority of the supervisory board and approval of at least one “Continuing Member”, as well as:
 - Until 2016 AGM approval of both “Continuing Members”, based on arrangements with works council (COR)
 - With regard to deviation from the arrangements concerning protection of minority shareholders approval of both “Continuing Members”, also after 2016 AGM

Support for the offer

Explanation of the recommended public offer

- Support and recommendation by executive board and supervisory board
- Fairness opinions by Rabobank and NIBC Bank
- Positive advice rendered by works council (COR)
- Irrevocable clearance by relevant competition authorities
- Irrevocable commitment from shareholders, including Delta Lloyd, of c. 16%

- Executive board and supervisory board unanimously recommend shareholders to vote in favour of the EGM resolutions

Positive advice by works council (COR)

Explanation of the recommended public offer

- Own independent legal advisor to COR
- COR has asked questions regarding the offer
- TenCate has supplied COR with extensive information
- In addition, COR has had various discussions, including with the offeror

Reputable Dutch investors

Explanation of the recommended public offer

- Tennessee Acquisition BV, Dutch consortium led by Gilde
 - Gilde Buy Out Partners
 - Parcom Capital
 - ABN AMRO Participaties
 - Other investors
- Committed financing

Future governance I

Explanation of the recommended public offer

- Mitigated structure regime to be maintained
- Supervisory board
 - Two “Continuing Members”, initially J.C.M. Hovers and E. ten Cate
 - Terms of Messrs Hovers and Ten Cate expire in April 2016; Mr Ten Cate will not seek reappointment
 - Reappointment of Mr Hovers and appointment of new “Continuing Member” in AGM of April 2016
 - Three supervisory board members nominated by the offeror: E.J. Westerink, J.H.L. Albers and B.T. Molenaar
 - Appointment of new “Continuing Member” after consultation with a representation of the minority shareholders, taking into consideration the rights of the works council (COR)
- Executive board to remain in position

Future governance II

Explanation of the recommended public offer

- Protection of minority shareholders
 - Two independent supervisory board members who remain in position for three years from the settlement date and who monitor compliance with arrangements that concern the protection of minority shareholders
 - Both “Continuing Members” have the power to veto a deviation from the arrangements that concern the protection of minority shareholders
 - Both “Continuing Members” have the power to veto an asset sale and liquidation
 - It is not envisaged that the “Continuing Members” will vote in favour of a proposal for an asset sale and liquidation during the term of Mr Ten Cate as a “Continuing Member” (until 2016 AGM)

Future governance III

Explanation of the recommended public offer

- Protection of minority shareholders
 - No shares may be issued against payment, without offering pre-emption rights to minority shareholders
 - No transactions may be entered into with the offeror or any related party which is not 'at arm's length'
 - No other action may be taken which disproportionately prejudices the value of, or the rights relating to the minority's shareholding

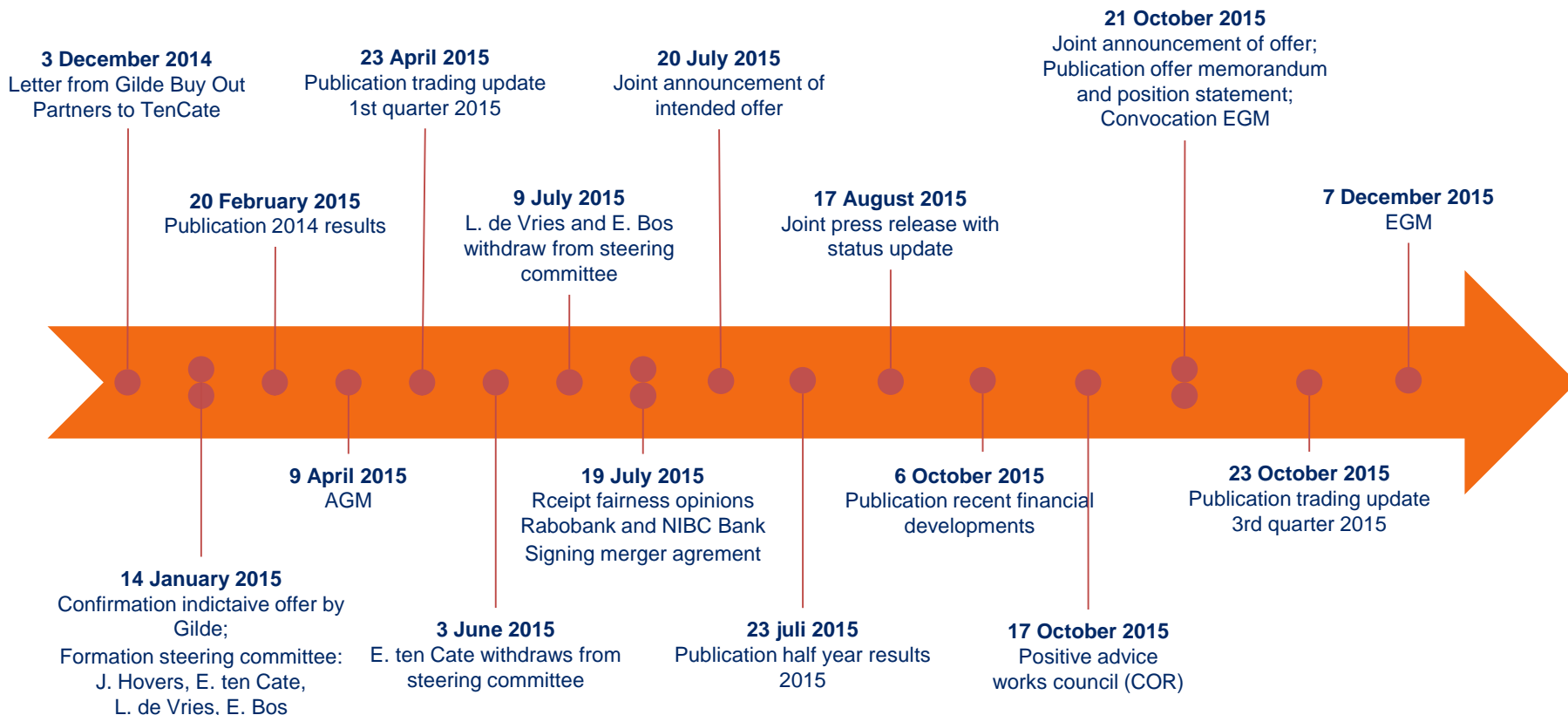
Future governance IV

Explanation of the recommended public offer

- Delisting
 - The offer is based on the assumption that the stock exchange listing will be terminated
 - Delisting of TenCate increases the ability to achieve its goals and implement its strategy
 - Delisting makes it easier for the group to obtain equity financing
 - Delisting may save costs associated with a stock exchange listing

Process to date

Explanation of the recommended public offer



Management of potential conflicts of interest I

Explanation of the recommended public offer

- 14 January 2015: formation steering committee
 - Led by chairman of the supervisory board
 - Other members: Mr E. ten Cate, members executive board
 - Supported by director legal affairs and corporate director business development
 - Supported by financial and legal advisors to the company
- Early February: arrangements executive board and supervisory board
 - Regarding potential conflicts of interest in negotiation process related to (re-)investment
 - Chairman of the supervisory board is the only representative of the company in discussions with the offeror and possible other interested parties
 - Chairman of the supervisory board to involve one or two members of the executive board in takeover discussions if so required by the interest of the company or its stakeholders
 - Executive board is not present at discussions in the case of potential conflicts of interest
 - Supervisory board to monitor the negotiation process

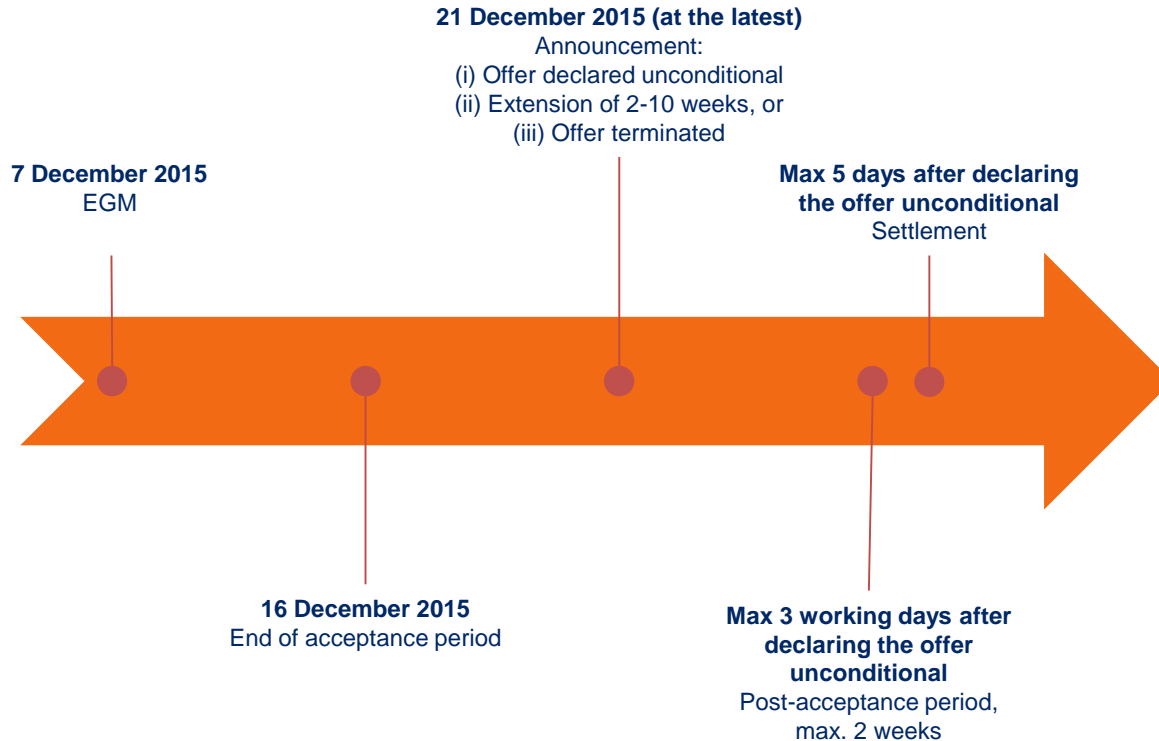
Management of potential conflicts of interest II

Explanation of the recommended public offer

- 3 June 2015: Mr Ten Cate withdraws from the steering committee
 - In connection with approach by Gilde about a possible investment by a Ten Cate family investment company
 - No further participation in deliberations and decisions of the supervisory board and steering committee
- 9 July 2015: members executive board withdraw from steering committee
 - In connection with the start of negotiations between executive board and offeror about conditions of management equity participation
- Deliberations about merger agreement by supervisory board without Mr Ten Cate and without the executive board
- Supervisory board has had its own legal advisor throughout the process
- Independent financial advisor issues fairness opinion to supervisory board

Expected process going forward

Explanation of the recommended public offer



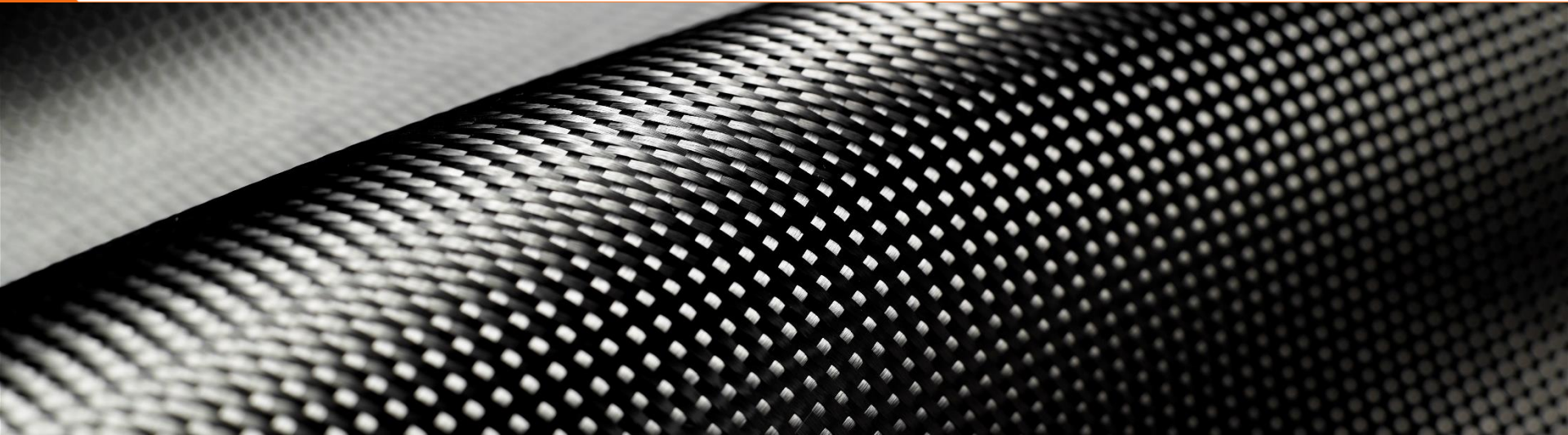
Questions regarding the explanation of the offer

Explanation of the recommended public offer

4. Conditional discharge executive board

5. Conditional discharge supervisory board

Extraordinary general meeting 2015



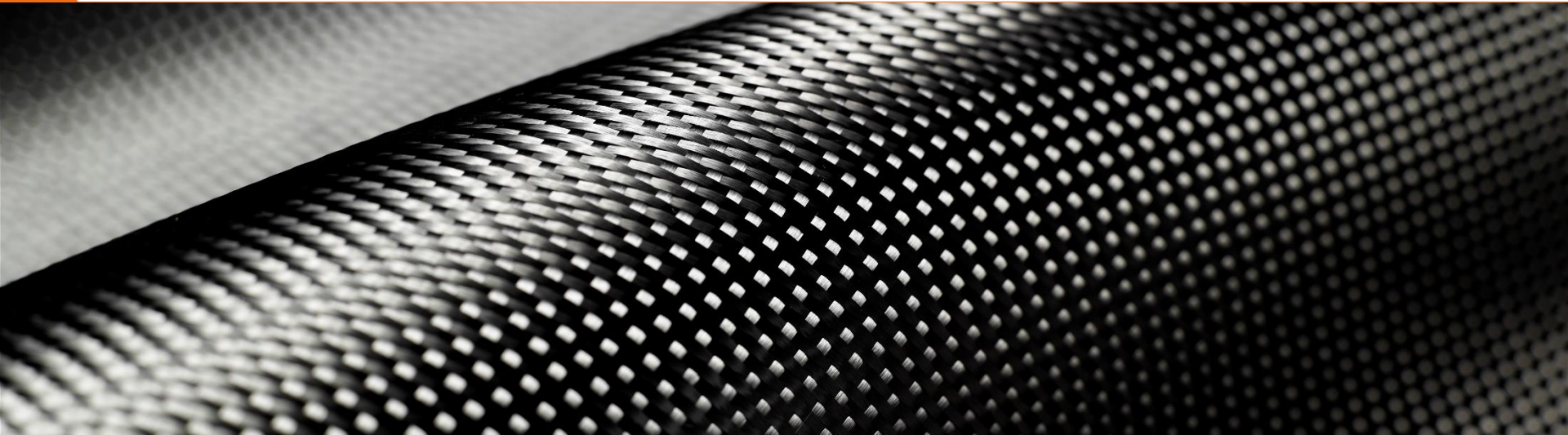
Items 4. and 5. of the agenda

Extraordinary general meeting 2015

- 4. Conditional discharge of the members of the executive board
(withdrawn)
- 5. Conditional discharge of the members of the supervisory board
(withdrawn)

6. Conditional composition of the supervisory board

Extraordinary general meeting 2015



Conditional composition of the supervisory board

Extraordinary general meeting 2015

- 6.1 Conditional resignation, as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr P.F. Hartman and Ms M.J. Oudeman as members of the Supervisory Board
- For discussion

Conditional composition of the supervisory board

Extraordinary general meeting 2015

- 6.2 Conditional appointment as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr E.J. Westerink as member of the Supervisory Board
 - a) Notification of a vacancy within the Supervisory Board (for discussion)
 - b) Opportunity to recommend a person for nomination to the Supervisory Board (for discussion)
 - c) Notification by the Supervisory Board of the person nominated for appointment (for discussion)
 - d) Proposal to appoint the person nominated by the Supervisory Board
- For decision

Conditional composition of the supervisory board

Extraordinary general meeting 2015

- 6.3 Conditional appointment as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr J.H.L. Albers as member of the Supervisory Board
 - a) Notification of a vacancy within the Supervisory Board (for discussion)
 - b) Opportunity to recommend a person for nomination to the Supervisory Board (for discussion)
 - c) Notification by the Supervisory Board of the person nominated for appointment (for discussion)
 - d) Proposal to appoint the person nominated by the Supervisory Board
- For decision

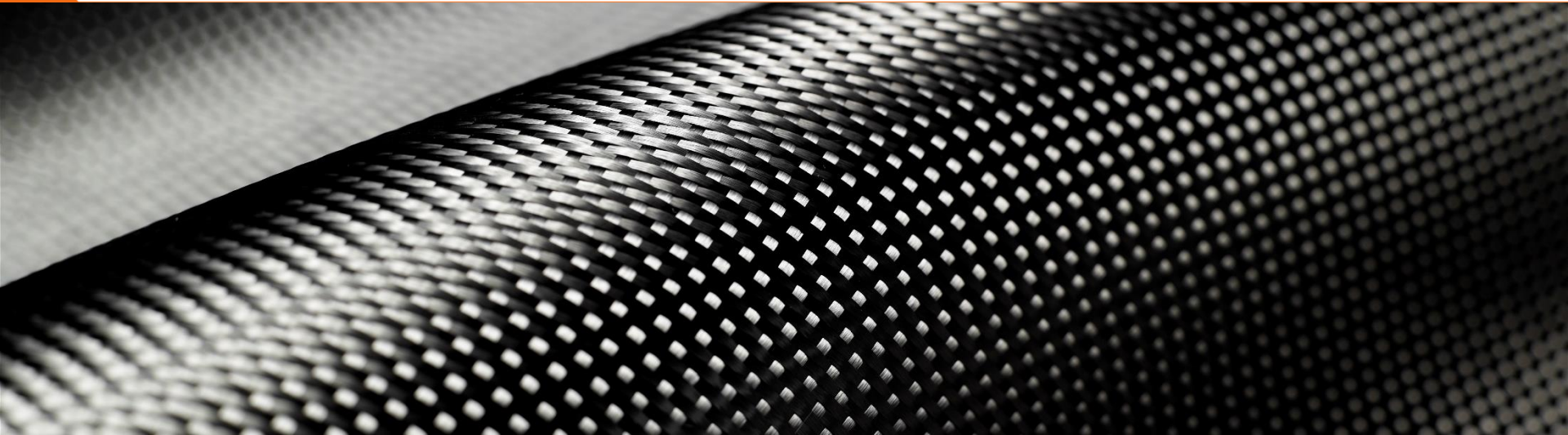
Conditional composition of the supervisory board

Extraordinary general meeting 2015

- 6.4 Conditional appointment as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr B.T. Molenaar as member of the Supervisory Board
 - a) Notification of a vacancy within the Supervisory Board (for discussion)
 - b) Opportunity to recommend a person for nomination to the Supervisory Board (for discussion)
 - c) Notification by the Supervisory Board of the person nominated for appointment (for discussion)
 - d) Proposal to appoint the person nominated by the Supervisory Board
- For decision

7. Any other business

Extraordinary general meeting 2015



8. Close

Extraordinary general meeting 2015

